WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Insurance schemes for plantation industry

2417. SHRIMATI SUPRIYA SULE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a task force on plantation industry has recommended a mix of subsidy-based insurance scheme costing Rs. 720 crore to the Exchequer and a market-based scheme, to co-exist over a period of five years, till the growers learn to meet the risks of price movement, and the art of price risk management;

(b) whether the task force has submitted report to the Ministry;

(c> if so, what are the recommendations and whether these recommendations have been referred to Group of Ministers; and

(d) by when decision in this regard has to be taken?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (d) The Department of Commerce constituted a Task Force for undertaking a study to evolve a mechanism to protect the growers of tea, coffee, rubber and spices from adverse effect of price volatility in the Plantation sector, the feasibility of making direct compensation to the growers for the losses suffered by them, the feasibility of introducing an instrument which enables the growers to park surplus funds during good crop years and offers market related interest rate, the feasibility of a risk management support mechanism to small growers to mitigate the effects of adverse weather and pest related risks, etc. The Task Force submitted its report on 30th January, 2007. The major recommendations of the Task Force include (i) introduction of insurance crop scheme in certain crops in preference to a price risk cover, (ii) introduction of enlarged personal accident cover and cover for individual assets of the growers as well as the permanent workers, (iii) creation of infrastructure facilities in plantation areas to give better accessibility to the growers by way of introduction of Plantation Development Bonds, (iv) reduction of interest rates on crop loans at refinance rates of NABARD, (v) strengthening Price Stabilisation Fund Trust (PSFT) to enable it of play a privotal role in the scheme of things, etc.

The Report of the Task Force is yet to be placed before the Group of Ministers.